



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

January 6, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIRE DEPARTMENT: APPROVE MEMORANDUM OF UNDERSTANDING  
BETWEEN COUNTY OF LOS ANGELES AND CONSOLIDATED  
FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY REGARDING  
THE CONTINUED OPERATIONS OF FIRE STATIONS QUITCLAIMED TO  
THE COUNTY OF LOS ANGELES  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This recommended action will authorize the Fire Chief and the Chairman to execute a Memorandum of Understanding which affirms the uninterrupted District occupancy and use of five fire stations which were quitclaimed by the Consolidated Fire Protection District of Los Angeles County (Fire District) to the County of Los Angeles (County) on November 5, 2008.

**IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY  
OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES  
COUNTY:**

Authorize the Fire Chief to execute the Memorandum of Understanding between the County and Fire District.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Chairman to execute the Memorandum of Understanding between the County and Fire District.

*"To Enrich Lives Through Effective And Caring Service"*

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Intra-County Correspondence Sent Electronically Only**

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On November 5, 2008, the Board directed the Chief Executive Office, Fire Chief, and County Counsel to return to your Board within 30 days to approve and execute necessary documentation to affirm the Fire District's continued use and operation of each of five fire stations, which were quitclaimed to the County. The recommended actions will authorize the Chairman and Fire Chief to enter into the attached Memorandum of Understanding (MOU), which will provide the necessary affirmation.

### **Background**

On June 17, 2008, your Board approved the pledge of non-Courthouse properties to the County's Tax-Exempt Commercial Paper (TECP) program to provide sufficient collateral to allow the release of County courthouses that were currently pledged as security to the TECP program. That substitution was necessary to allow the transfer of the courthouses to the State of California to proceed, pursuant to Senate Bill 1732 of 2002. Fire Stations 89 (Agoura Hills), 72 (Malibu), 93 (Palmdale), 108 (Santa Clarita), and 136 (Palmdale) were among the properties your Board pledged as security for the TECP program.

In addition to facilitating the transfer of the courthouses to the State, the pledge of these fire stations, a process which was completed on November 7, 2008, also provided security for the issuance of TECP to finance construction of new fire stations. On May 13, 2008, your Board approved the issuance of \$78.6 million in TECP to fund construction of six new fire stations in the Santa Clarita Valley. Under the financing plan approved by your Board, the TECP will be redeemed through the issuance of long-term bonds to be repaid by the Fire District.

The pledge of the fire station properties was not able to be consummated, however, until title to the fire stations was formally conveyed from the District to the County through the execution of quitclaim deeds to legally pledge these properties as security to the TECP program.

Execution of the quitclaim deeds for these fire station properties allowed the Compton and Santa Monica Courthouse properties to be released as security for the TECP program and transferred to the State.

### **Provisions of MOU**

The MOU affirms the County's agreement to permit the Fire District to continue to operate, maintain, repair and improve the five quitclaimed fire stations rent-free while the County is owner of the properties. The MOU also sets forth the parties' agreement that the Fire District will retain liability for its operations of the facility.

Upon redemption of the TECP issued for the fire stations through the issuance of long-term financing, we will return to your Board to deed the pledged fire station properties back to the District.

### **FISCAL IMPACT/FINANCING**

The pledge of the quitclaimed properties will result in additional insurance costs to the Fire District. All pledged properties in the TECP program are required to be insured. The actual costs are yet to be determined. The Fire District will return to your Board with funding recommendations if it is determined that such costs will exceed the Fire District's 2008-09 budget appropriations.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

County Counsel has reviewed the attached MOU.


### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will help to maintain the Fire District's operations and allow for the construction of additional fire stations.

### **CONCLUSIONS**

Please return one adopted copy of this letter to the Chief Executive Office and the Fire District.

Respectfully submitted,

  
WILLIAM T FUJIOKA  
Chief Executive Officer

  
P. MICHAEL FREEMAN  
Fire Chief

WTF:PMF:DL  
JSE:DJT:PB:zu

c: County Counsel  
Fire Department  
Treasurer-Tax Collector

**MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY  
AND THE COUNTY OF LOS ANGELES  
REGARDING THE CONTINUED OPERATIONS  
OF FIRE STATIONS QUITCLAIMED  
TO THE COUNTY OF LOS ANGELES**

This Memorandum of Understanding (the "Memorandum") is made and entered into this 6<sup>TH</sup> day of January, 2009, by and between the County of Los Angeles, a political subdivision of the State of California (the "County") and the Consolidated Fire Protection District of Los Angeles County, a Special District (the "District") (together, the "Parties") to memorialize the agreement by the Parties providing for the District's use, operation, and maintenance of certain fire station properties.

**RECITALS**

WHEREAS, on or about November 5, 2008, the District transferred to the County by quitclaim title to five fire stations on or about November 5, 2008 consisting of Fire Stations 89 (Agoura Hills), 72 (Malibu), 93 (Palmdale), 108 (Santa Clarita), and 136 (Palmdale), (collectively, the "Properties");

WHEREAS, the transfer of the Properties by the District to the County was necessary so that the Properties could be pledged as security under the County's Tax Exempt Commercial Paper program (TECP);

WHEREAS, the pledge of the Properties to the TECP program was part of a property substitution approved by the Board of Supervisors (the "Board") on June 17, 2008 to release County Courthouses that were pledged to the TECP, so they could be transferred to the State of California;

WHEREAS, the pledge of the Properties to the TECP provides security for the issuance of TECP to provide interim financing for the construction of six new District fire stations in the Santa Clarita Valley among other projects, as approved by the District Board of Directors approved on May 13, 2008;

WHEREAS, the Fire District will be solely responsible for any liability arising from or during its exclusive control of the Properties from the District to the County via the transfer of the Properties.

NOW, THEREFORE, in consideration of the Recitals and the mutual desires, covenants, and conditions contained herein, the Parties agree as follows:

A. The District is permitted to continue to occupy and operate the Properties without interruption, which shall include the continuance of all building maintenance, repairs, and improvements.

B. The District releases the County of any and all liability arising from its continued use and operation of the Properties and agrees that it still assumes the



liability for the Properties as it had prior to the transfer of title to the Properties to the County.

C. During the District's operation of the Properties, the District shall have no more or greater recourse against the County for any loss, cost, expenses or damages resulting from its use, control, operation, or maintenance of the Properties during the period the Properties are pledged to the TECP than the District had prior to the transfer of title to the Properties to the County.

D. The County will not charge rent to the District for occupying and operating the Properties.

E. The County will transfer the Properties by quitclaim back to the District upon redemption of all TECP issued to finance Fire District capital project costs or at such time as the TECP program ceases, whichever comes first.

IN WITNESS WHEREOF, the Parties hereby execute this Memorandum as authorized by the County of Los Angeles Board of Supervisors and the Consolidated Fire Protection District of Los Angeles County.

COUNTY OF LOS ANGELES

CONSOLIDATED FIRE PROTECTION  
DISTRICT OF LOS ANGELES  
COUNTY

  
DON KNABE  
Chairman

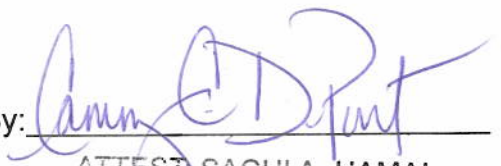
  
P. MICHAEL FREEMAN  
Fire Chief

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By:   
ATTEST: SACHIA A. HAMAI  
EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS

By: , Deputy

By:   
**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

43 JAN 06 2009

43 of JAN 6, 2009

  
SACHIA A. HAMA  
EXECUTIVE OFFICER